

Operational Update

Paul Hurlock

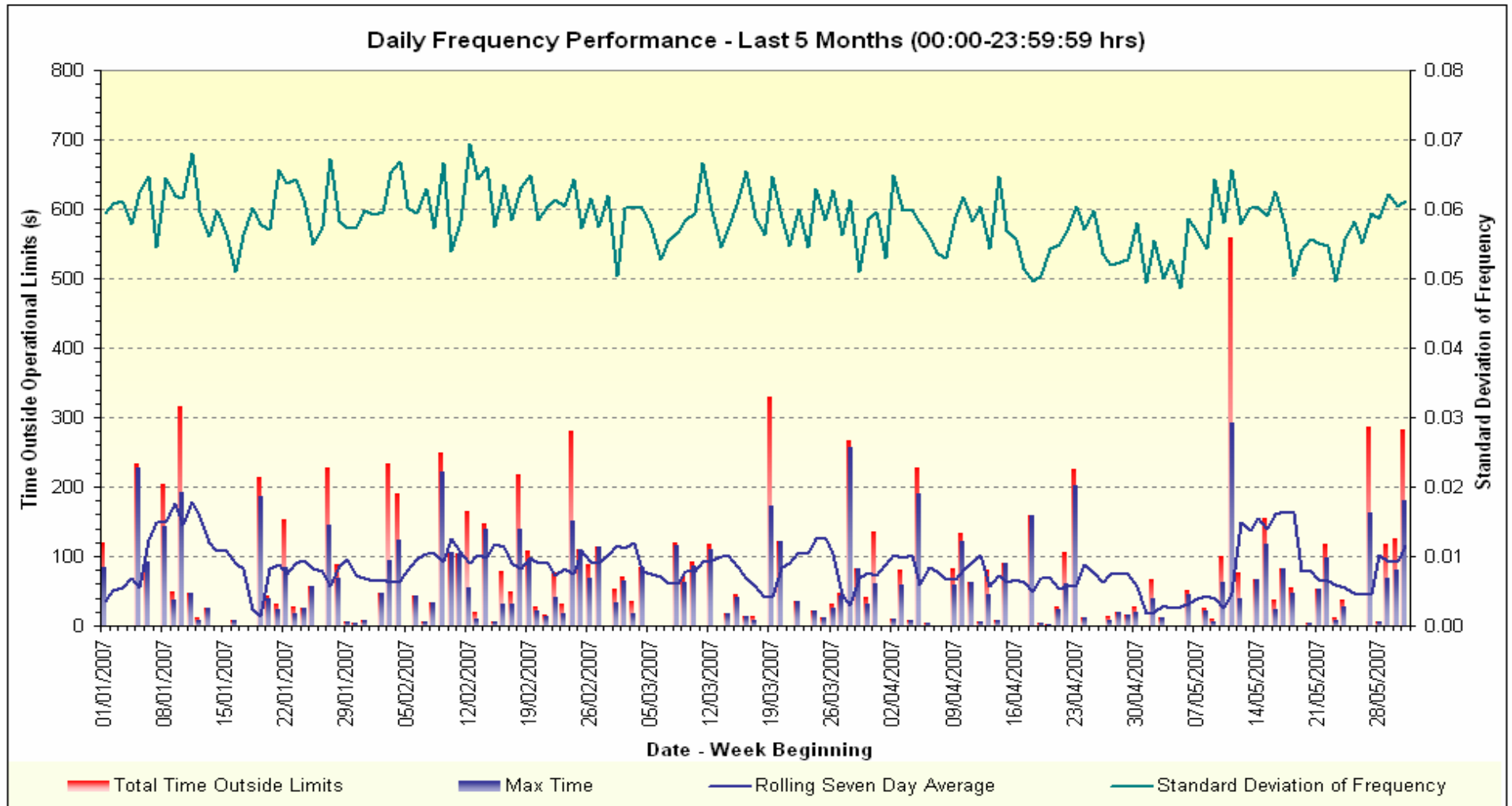
Network Operations

Agenda

- Recent Operational Performance
- System Operator cost update

Frequency Performance

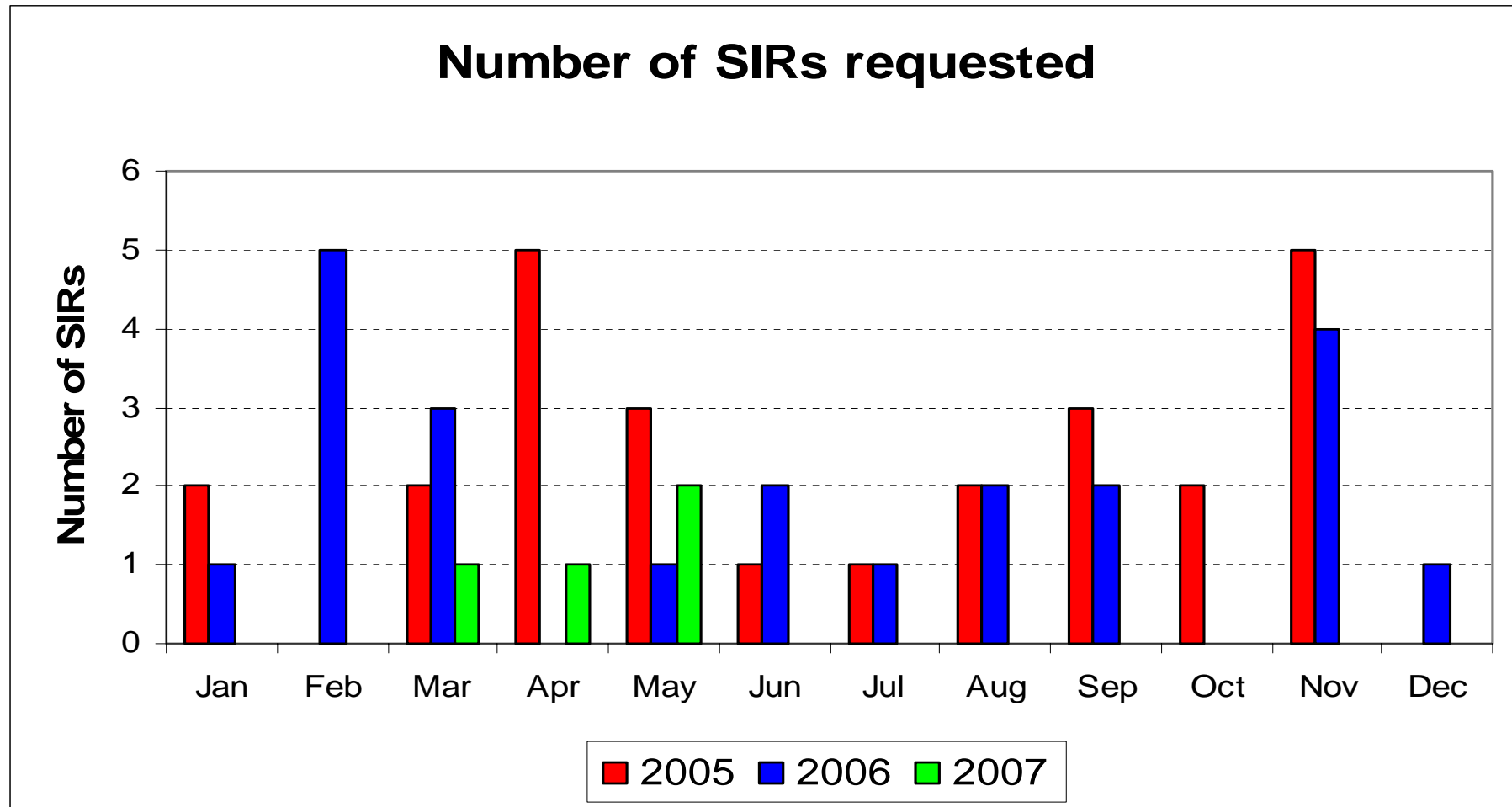
Recent Daily Excursions



- No significant frequency deviations to report in Apr/May

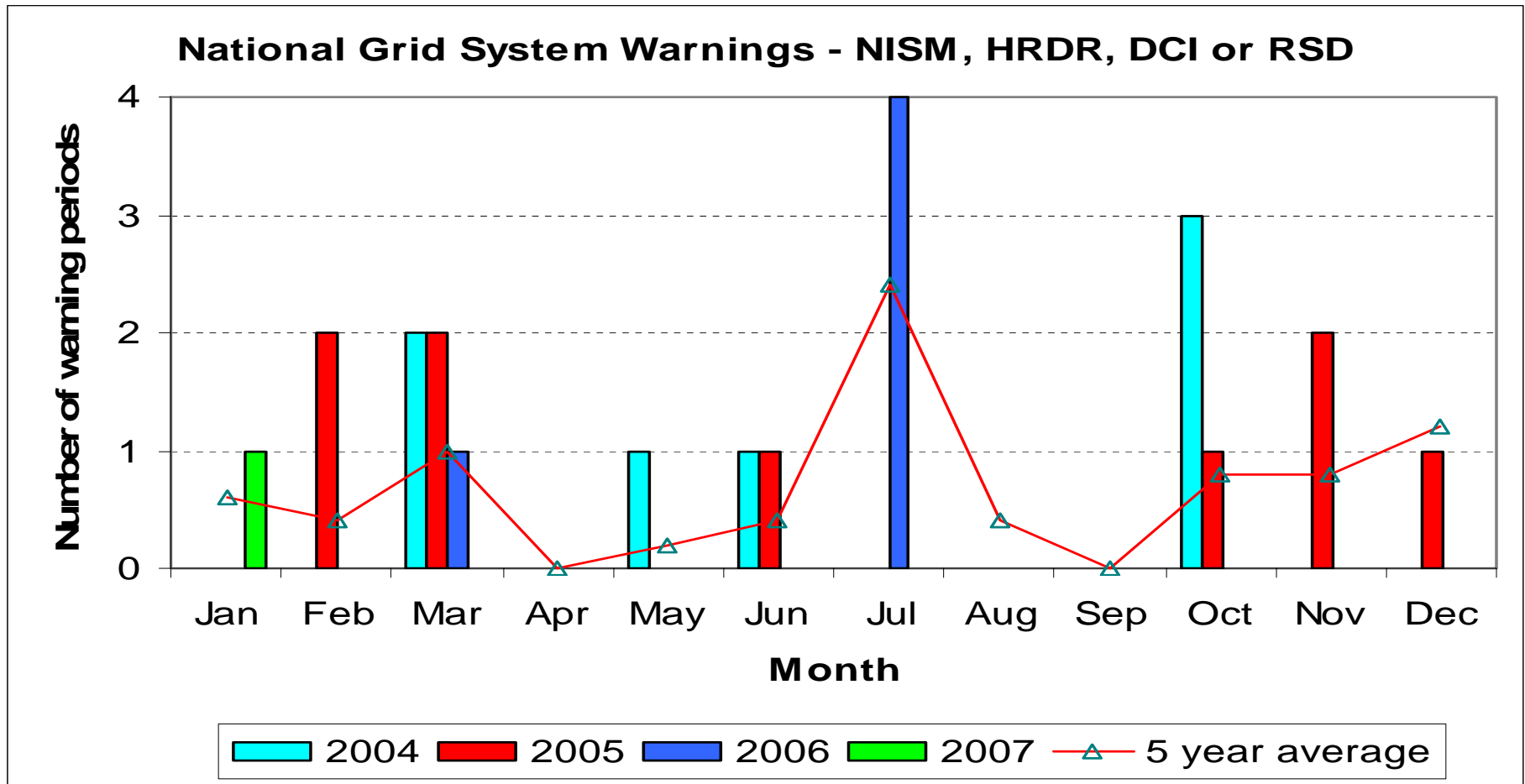
Generator Performance

SIR performance



- 1 SIR in March, April and 2 in May – improvement so far on 2005 and 2006.

System Warnings



- No margin related system warnings issued since 27 July 06 (Risk of System Disturbance 18 Jan 07).

April/May Operational summary

◆ April

- ◆ Relatively benign with long markets
- ◆ No significant plant margin issues
- ◆ Generally mild weather conditions – warmest on record

◆ May

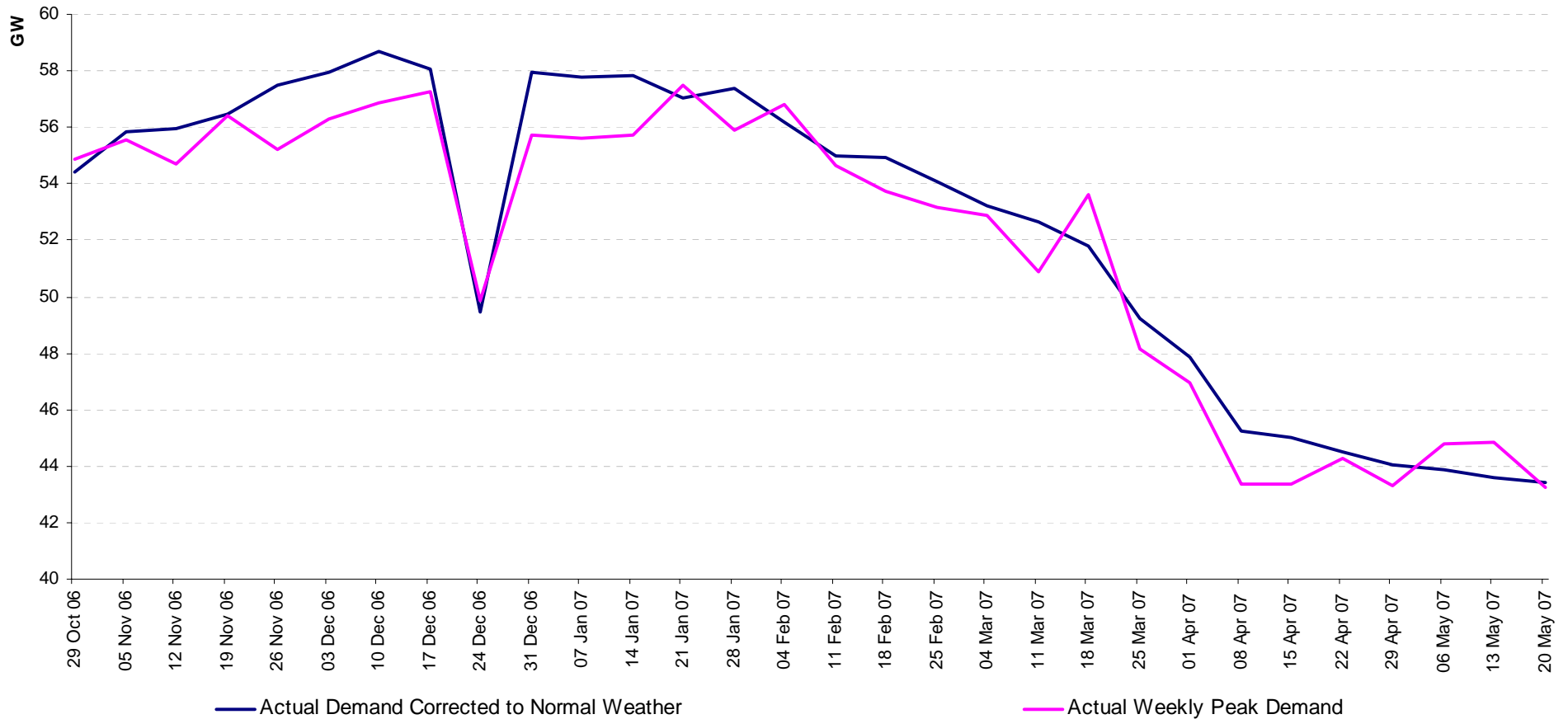
- ◆ Average market length reduced by around 500MW
- ◆ Weather more like April than May – plenty of showers
- ◆ Although frequently short there have been no significant plant margin issues
- ◆ Some challenging system issues on account of generation mix and outage programme

April/May Operational summary (cont)

- ◆ Interconnector issues

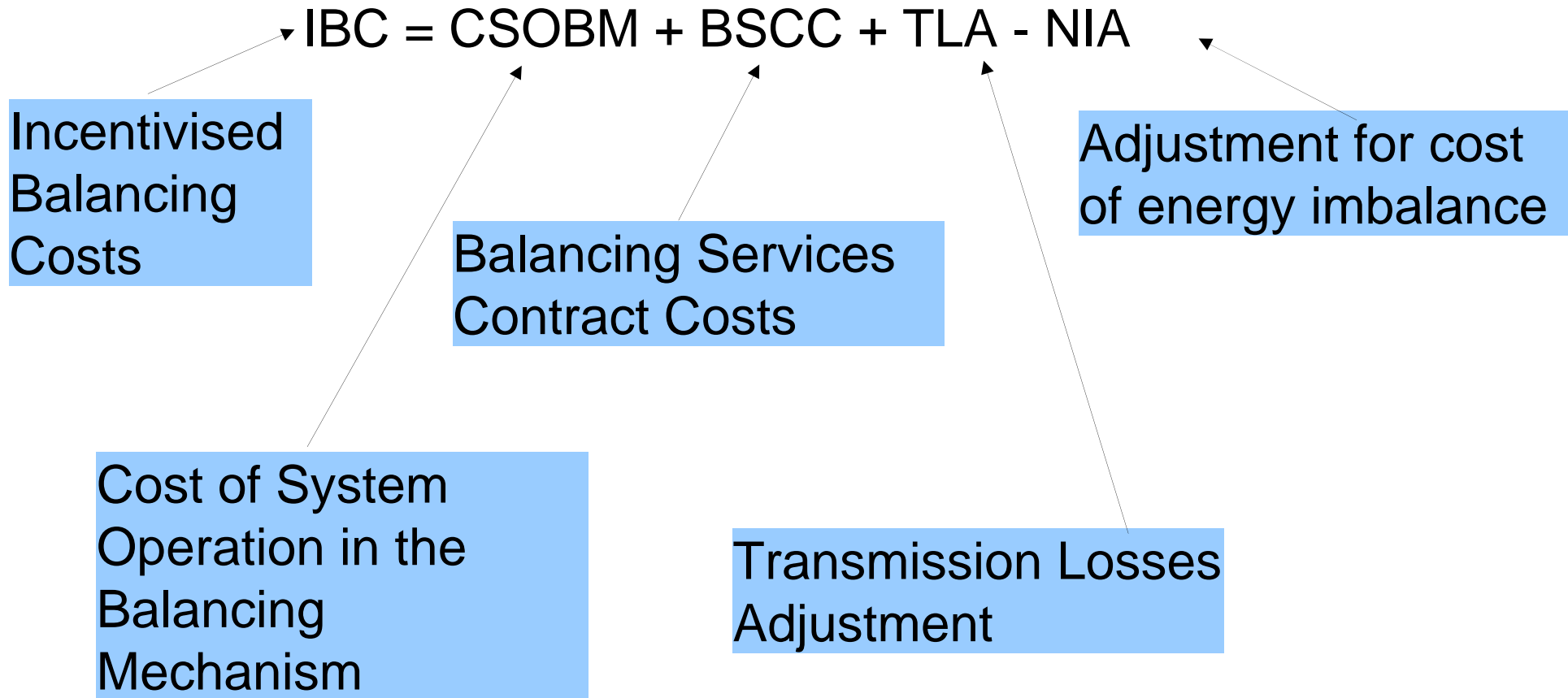
- ◆ Widest price differentials ever seen between Europe and the UK
- ◆ Large transfers to the continent during the week
- ◆ Modest imports to the UK over the weekends
- ◆ E.g. up to 4GW swings in transfer

Weekly peak demands

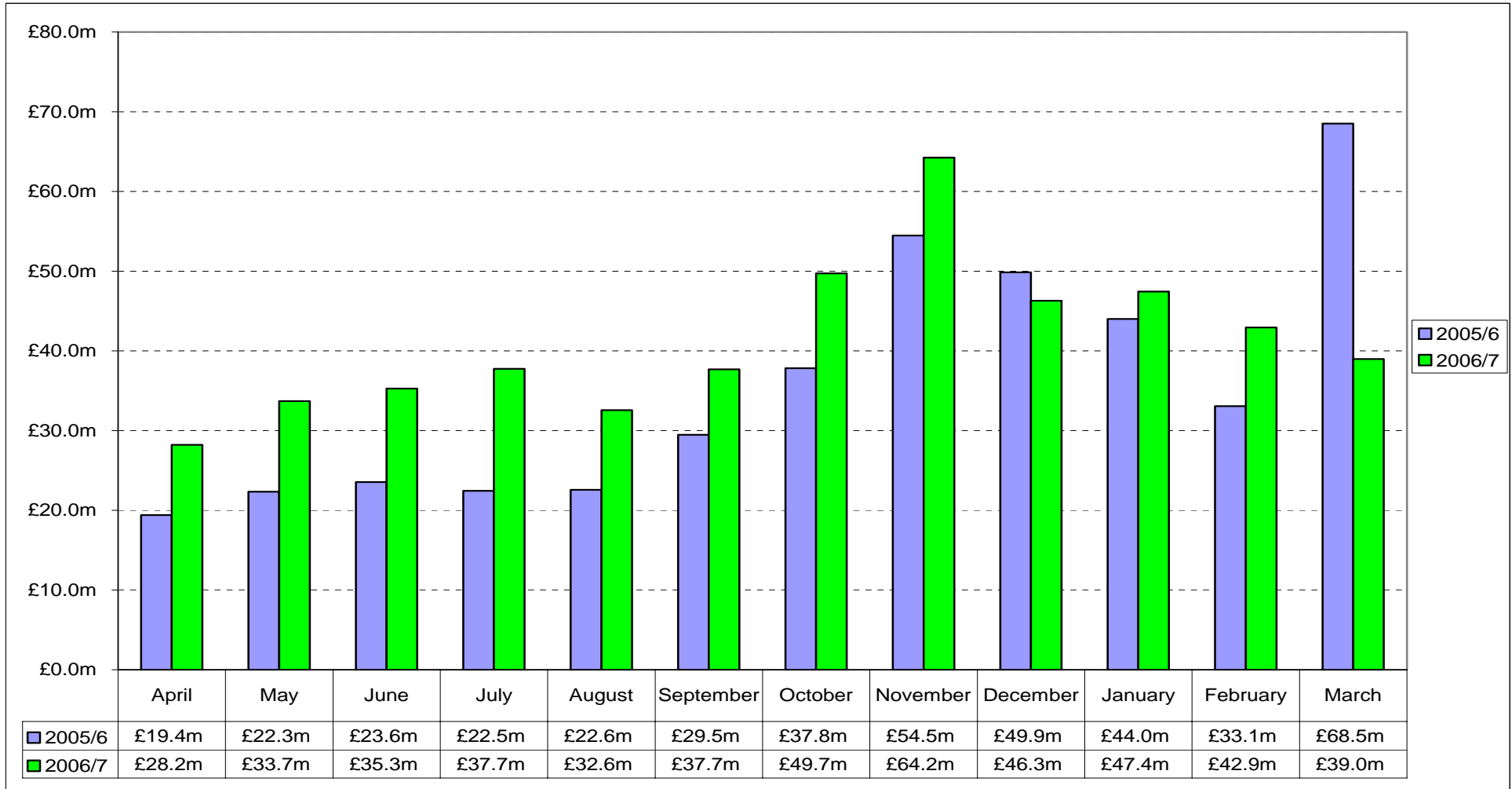


System Operator cost update

IBC Component Breakdown



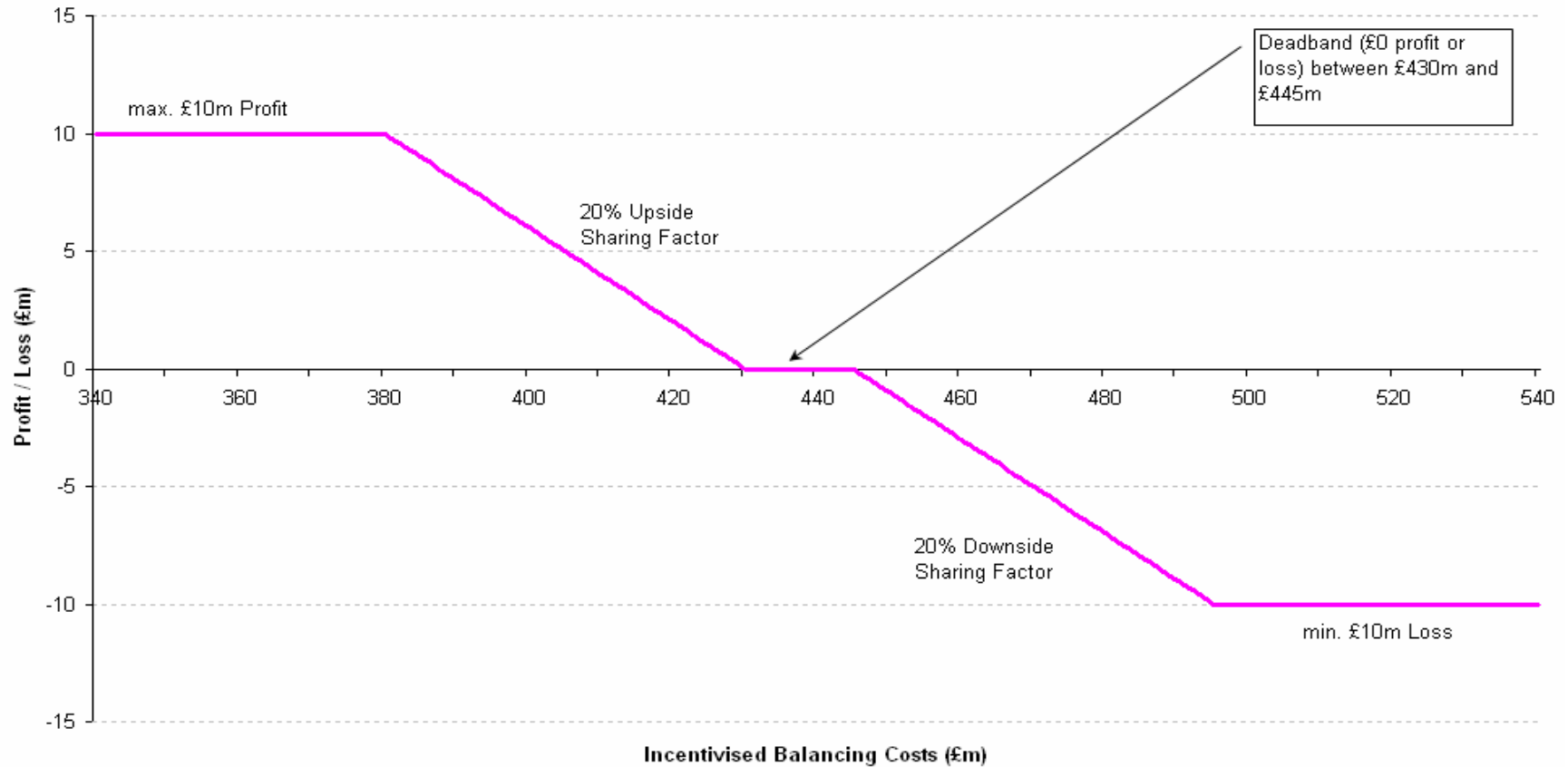
2005/6 and 2006/7 Monthly IBC Comparison



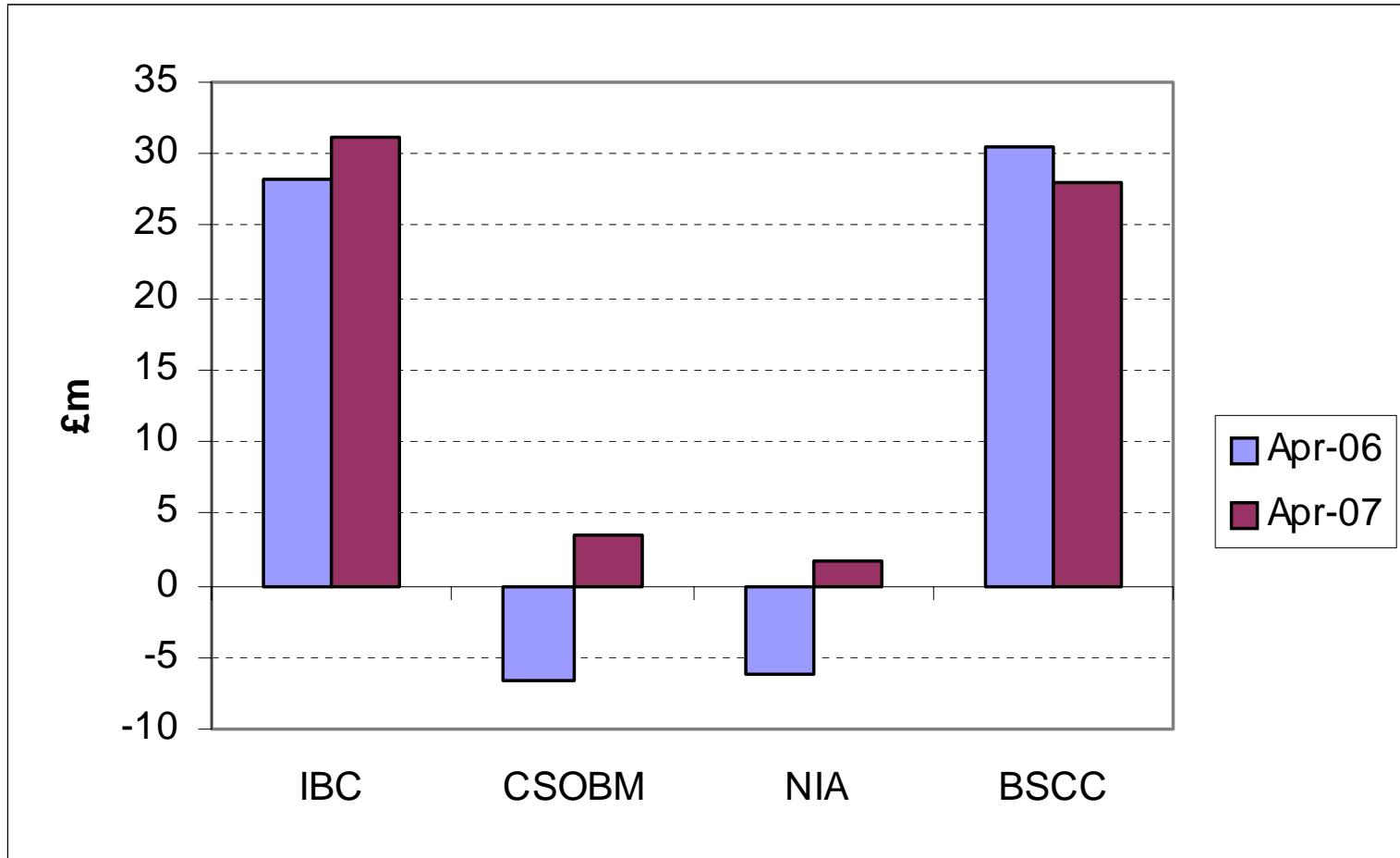
• Latest 2006/7 IBC outturn £494.7m

New 2007/8 BSIS scheme

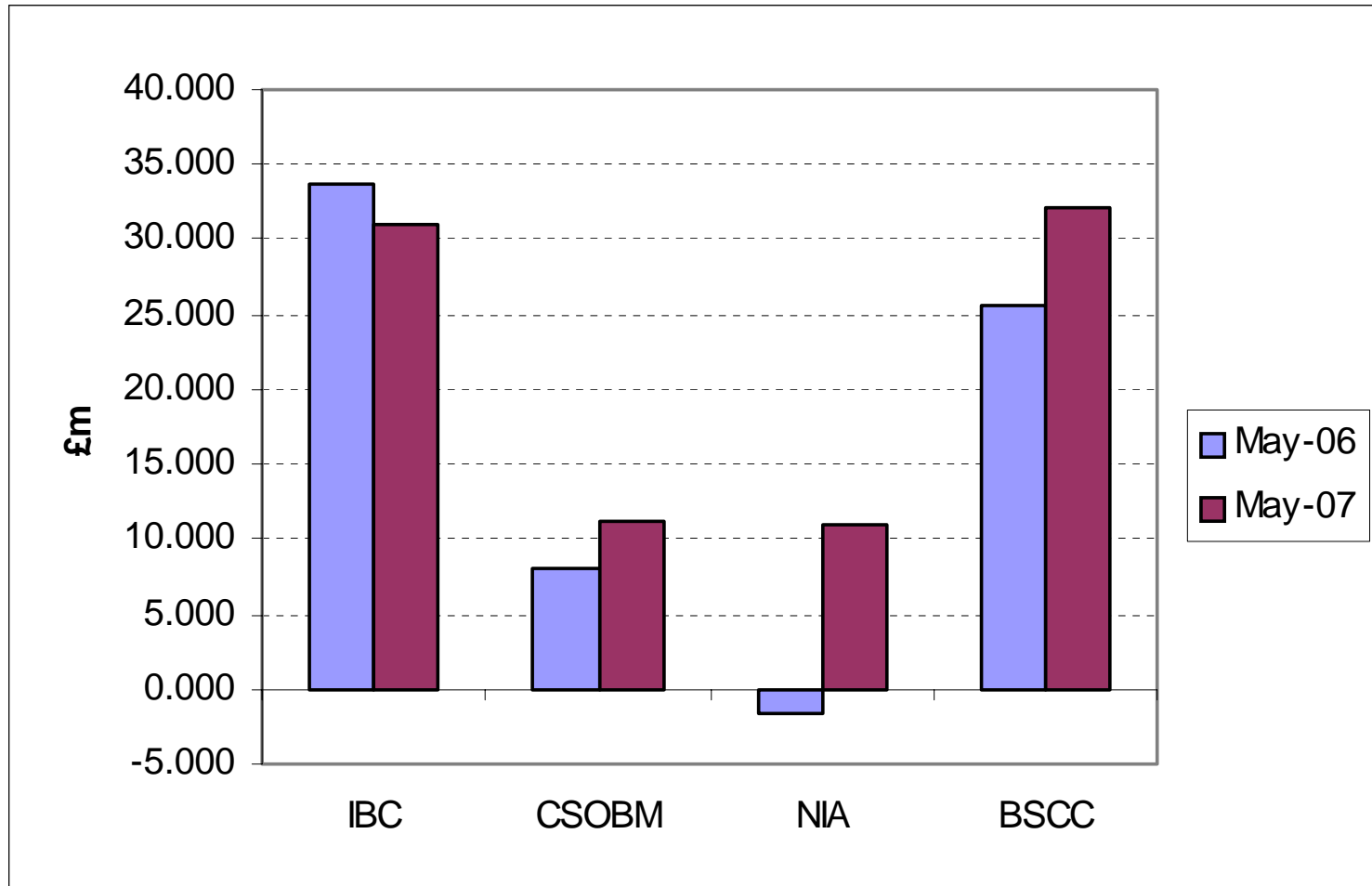
2007/8 Balancing Services Incentive Scheme



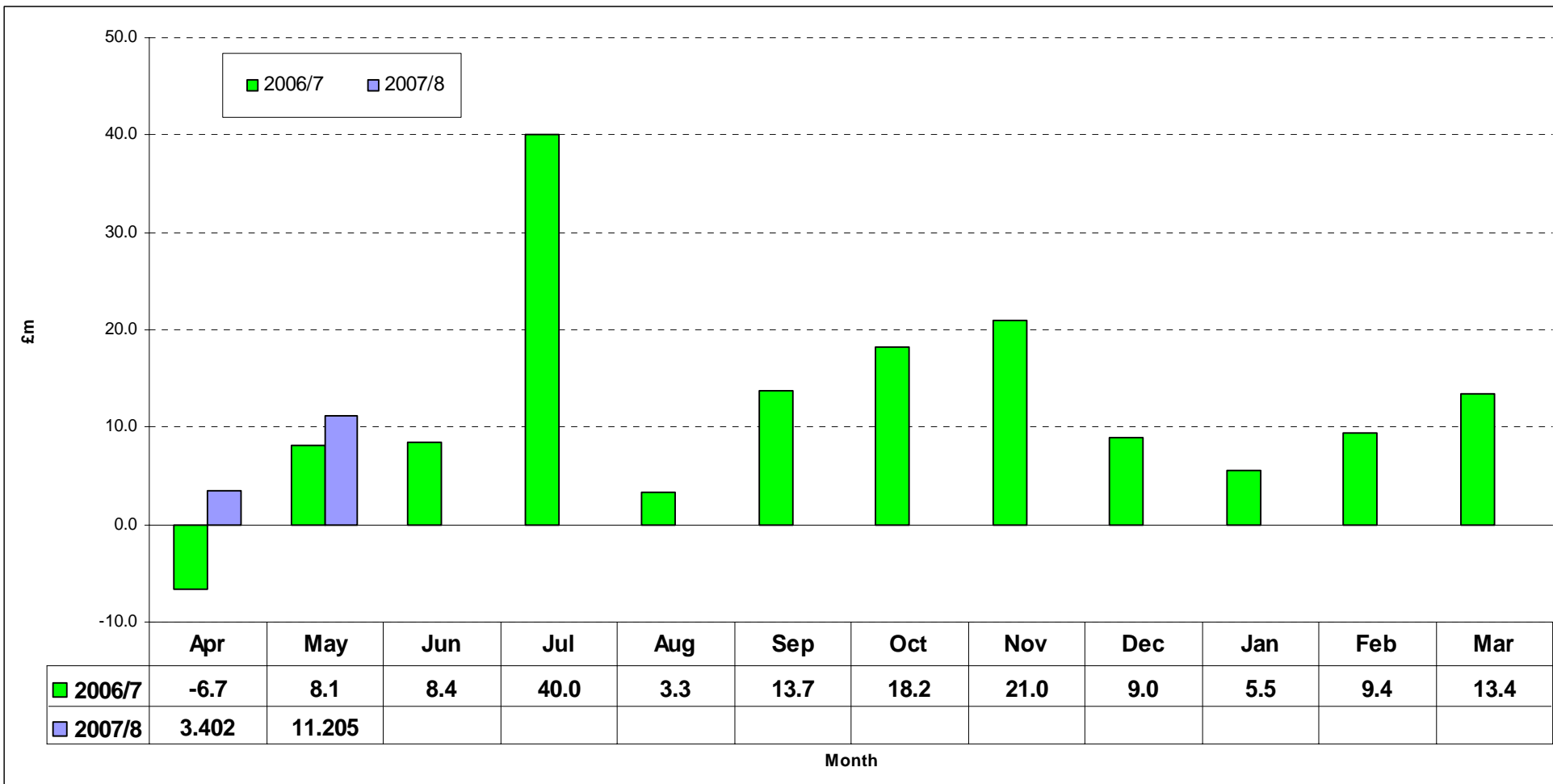
IBC component comparison- Apr 2006 vs 2007



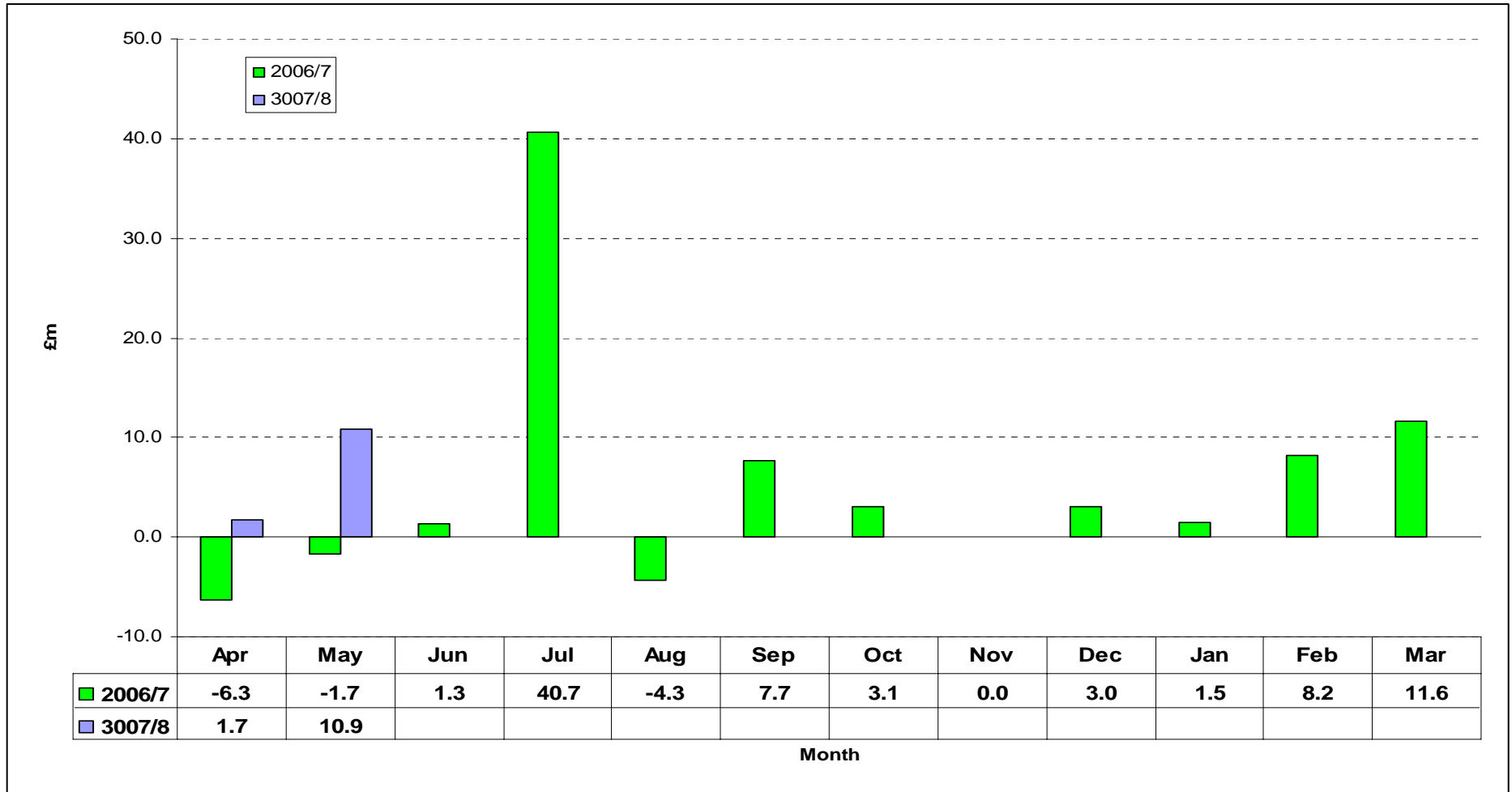
IBC component comparison- May 2006 vs 2007



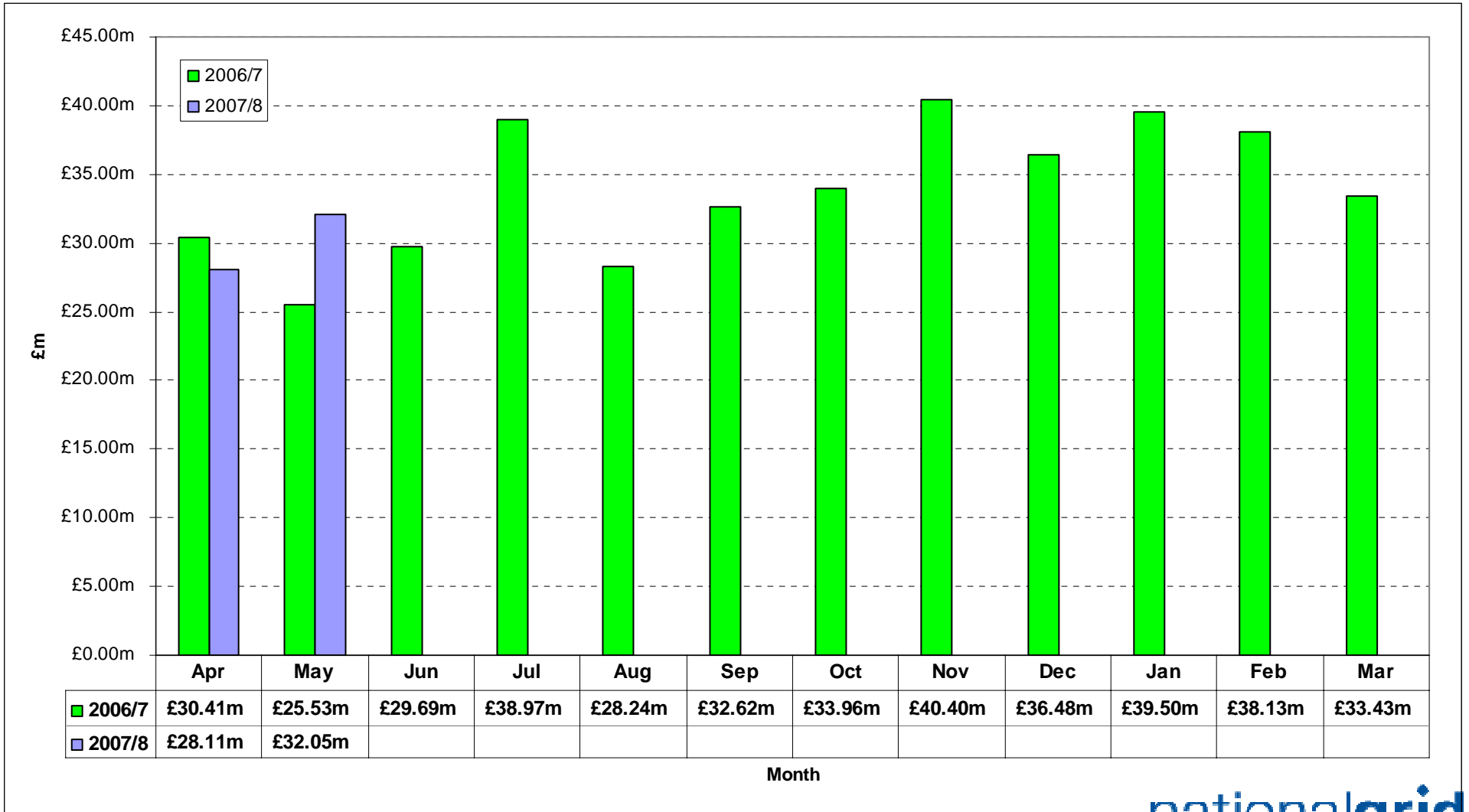
Balancing Mechanism Spend (CSOBM) 2006/7 and 2007/8 to date



Net Imbalance Adjustment (NIA) – 2006/7 and 2007/8 so far



Balancing Service Contract Costs



Monthly IBC 2007/8 forecasts and outturn

